Performance-Based Compensation Program Overview

Army DCIPS

DCIPS
DEFENSE CIVILIAN INTELLIGENCE PERSONNEL SYSTEM

Updated July 2015

Purpose

The purpose of this brief is to provide Pay Pool Managers with a detailed understanding of the Process and the Tools associated with the Army DCIPS Performance-Based Compensation Program (convening of pay

pools within Army for the purpose of determining performance-based bonuses and base-pay increase monetary awards).

Performance-Based Compensation Timeline

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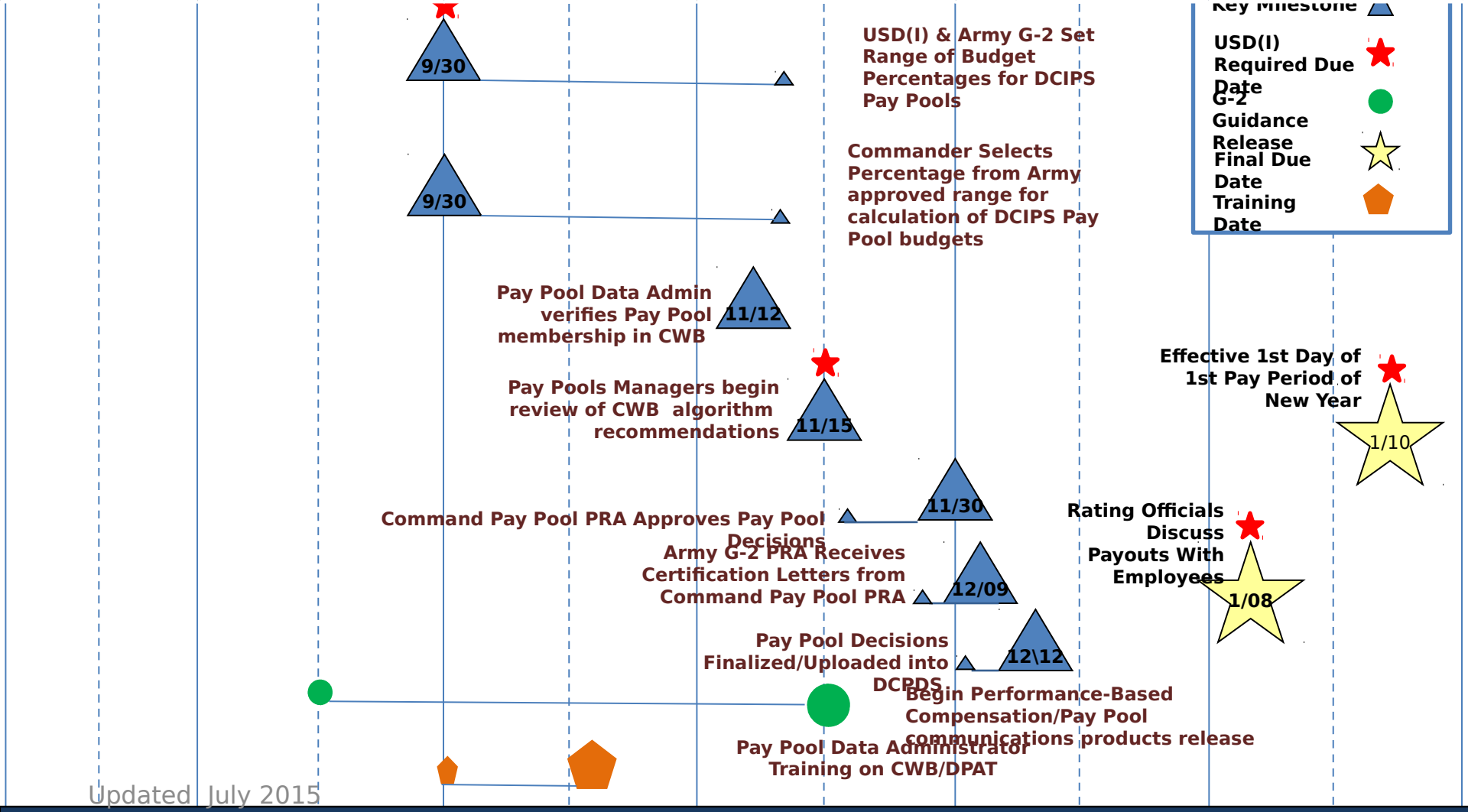

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Systems and Tools Used in Performance-Based Compensation/Pay Pool Process

- Performance Appraisal Application (PAA)

  The PAA is a Department of Defense (DoD) wide tool used to manage performance under DCIPS

- Defense Civilian Personnel Data System (DCPDS)

  The DCPDS is a human resources information support system for civilian personnel operations in the DoD

- Compensation Work Bench (CWB)

  CWB is a tool used by DCIPS organizations to facilitate the performance-based bonus and base-pay increase monetary award process. It is a spreadsheet that contains all the functionality needed to conduct an effective performance-based compensation program

- DCIPS Payout Analysis Tool (DPAT)

  The DPAT is a tool that combines multiple CWB spreadsheets, CWB export, and/or CWB import files and provides analysis of the Pay

DCIPS Performance-Based Compensation Program

DCIPS Performance-Based Compensation (aka DCIPS Pay Pools) is an annual performance-based rewards program linking employee performance to rewards and bonuses—with the greatest rewards going to those who make the greatest contributions.

Ratings are based on:

Impact to Organizational mission

Individual accomplishments via performance objectives

Performance-based payouts:

Acknowledge significant contributions to mission

Distribute larger payouts to higher performers

The Army will conduct the Pay Pool deliberations in November covering the performance period from October – September

Types of Performance-Based Awards

- **Bonus:**
  A performance-based monetary award generally distributed annually at the beginning of the New Year based upon performance from the previous performance cycle which ended on 30 September. The purpose of a bonus is to provide meaningful reward for highest levels of performance and/or work accomplishments within the context of the employee's work level.

- **DCIPS Quality Increase (DQI):**
  A DQI is considered a performance-based award and provides a salary increase equal to the value of one GG step increase at the employee's grade level. DQIs may be awarded to an employee whose performance evaluation of record identify them as top performers for the current rating period by being in a percentage of top ratings for the Command. ACOMs, DRUs, ASCCs, and the AASA have the option to select a percentage from 1% - 10%.

- **DCIPS Sustained Quality Increase (DCIPS SQI):**
  A DCIPS SQI provides the highest base-pay increase monetary award available to employees of under the DCIPS graded structure. The DCIPS SQI is a sustained performance award reserved to recognize truly exemplary sustained performance. The award consists of a base-pay increase monetary award in the form of an increase in an employee's pay of two steps at their current grade. Commander's of the ACOMs, DRUs, ASCCs, and the AASA may choose from employees whose performance evaluations of record identify them as top performers by being in a percentage of top scores for the Command, which shall not exceed 10 percent for a base-pay increase monetary award for 3 consecutive years, the current and two preceding performance evaluation cycles. Employees to be awarded an SQI must have been under the DCIPS Performance Management system and in the same DCIPS grade for the last 3 years. An employee may not receive more than one SQI during any 3-year period.

Eligibility for Performance-Based Awards

- Employees eligible for bonuses must meet or exceed a “successful” rating of at least 2.6
- Per USD(I) requirement, bonus distribution is not to exceed 50% of the eligible population per Component
- Those eligible for DQIs/SQIs must be in a percentage of top scores within their Pay Pools NTE 10%
  - DQIs/SQIs do not count towards the NTE 50% limit of bonuses
- Employees rated as unacceptable or minimally successful are not eligible for a performance-based bonus

Performance Based Compensation Program Command Preparation Steps

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Assign Pay Pool Data Administrators

Create Pay Pools/Assign Pay Pool ID's

Designate Pay Pool Managers/ Pay Pool Members

Establish Business Rules

Establish Pay Pool Budget

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Pay Pools

- Pay Pool are an aggregation of employees who work in an Army organization and share pay pool funding for Performance-Based Bonuses
- Pay Pools may be organized as follows:
  - Division, directorate, organizational structure and geographic distribution
  - Number of employees, occupations, work levels, and work categories
  - Chain of Command

Note: DCIPS Employees can only be assigned to one DCIPS pay pool.

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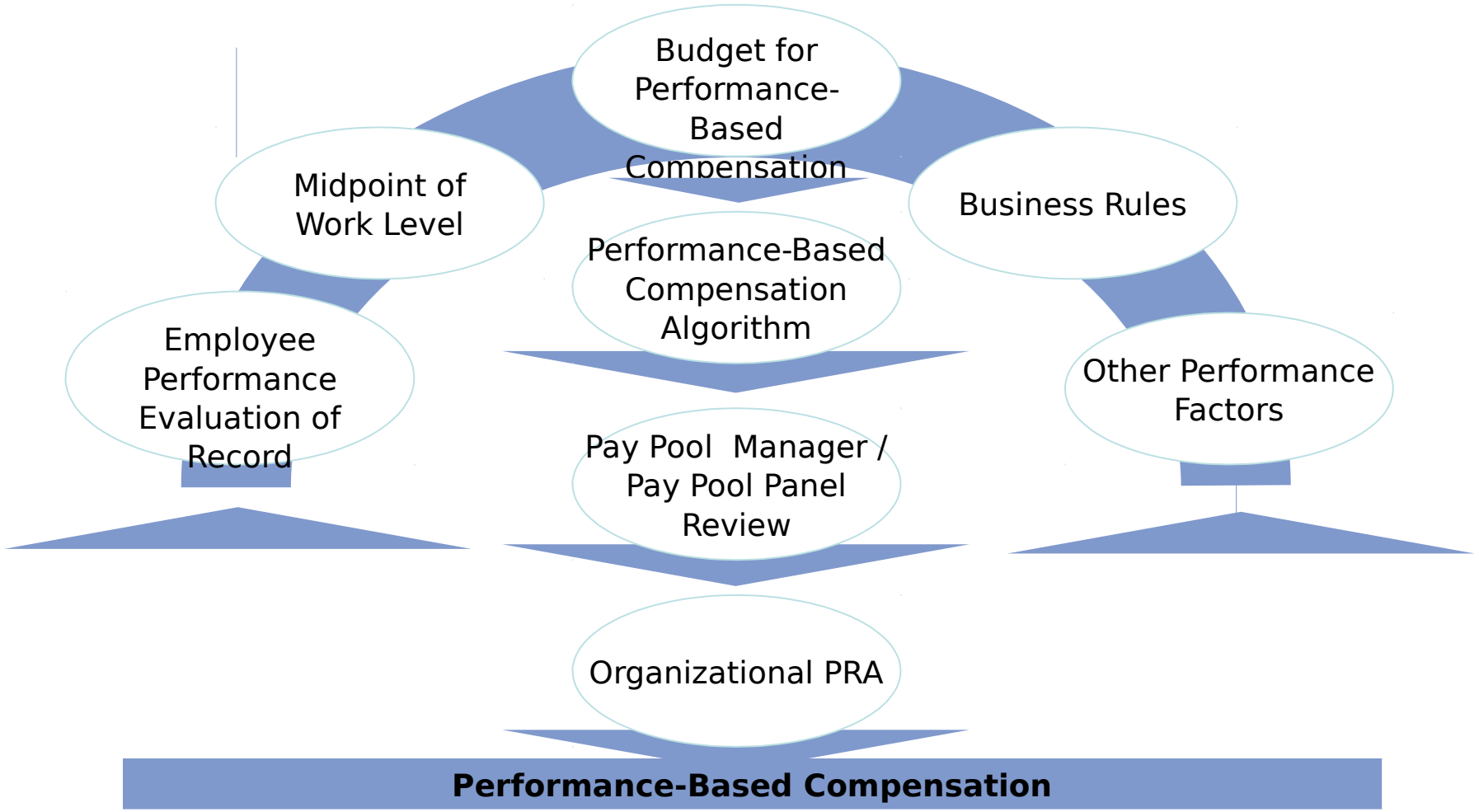
Pay Pool Managers

- An individual typically in the chain of command for employees assigned to a pay pool, responsible for conducting the annual pay pool decision-making process
- The Pay Pool Manager administers the pay pool process and makes performance-based bonus and base-pay increase monetary award recommendations to the Command Pay Pool PRA
- Organizations may also choose to establish Pay Pool Panels to review performance-based bonus and base- pay increase monetary award recommendations but are still required to have a Pay Pool Manager

Other Pay Pool Key Players

Role	Responsibility
Pay Pool Panel Members	▪ Group of managers who share chain-of-command responsibility for employees assigned to a Pay Pool ▪ Participates in the annual Pay Pool decision-making process for bonuses and base-pay increase monetary awards under the leadership of a Pay Pool Manager
Commander/ Pay Pool Performance Review Authority (PRA)	▪ Designates Pay Pool Managers and/or Pay Pool Panel Members in writing ▪ Approves Pay Pool recommendations ▪ Establishes their respective Pay Pool PRA structure in writing

Performance-Based Compensation Program Inputs



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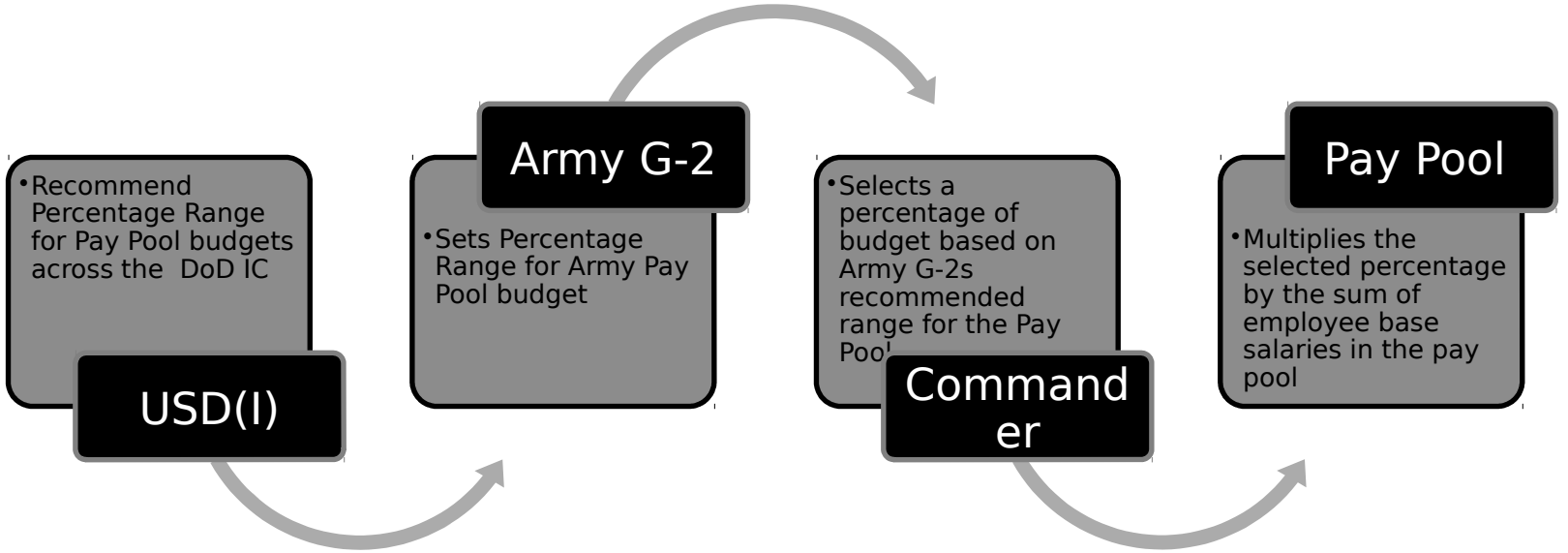
Determining the Pay Pool Budget



Example:

50 employee base salaries in one Pay Pool total $3.5 million

Command selects Pay Pool budget percentage of 1.8

1.8% x $3.5million= $63,000

Pay Pool Budget for bonuses = $63,000 *for that pay pool*

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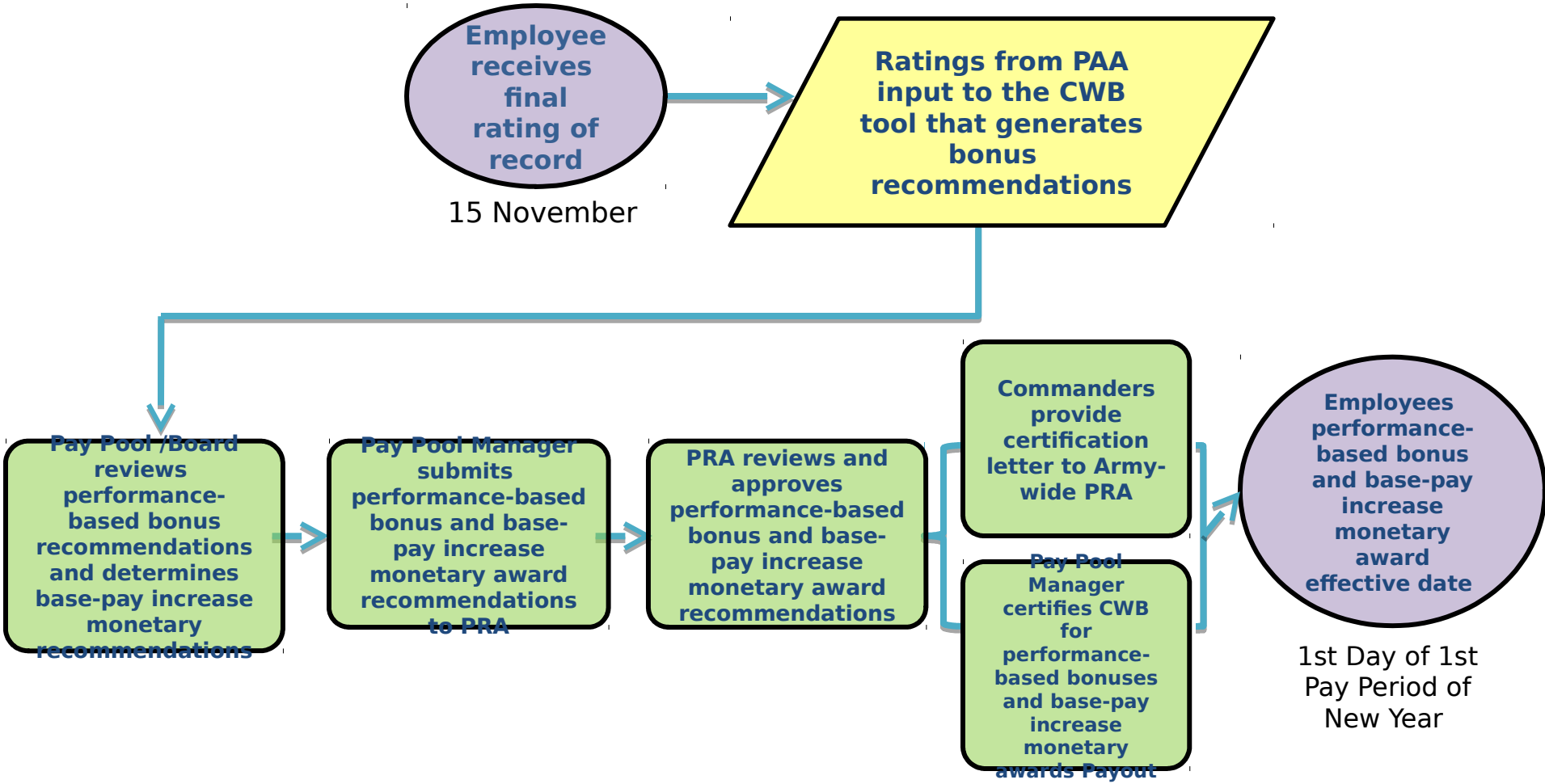
Pay Pool Process



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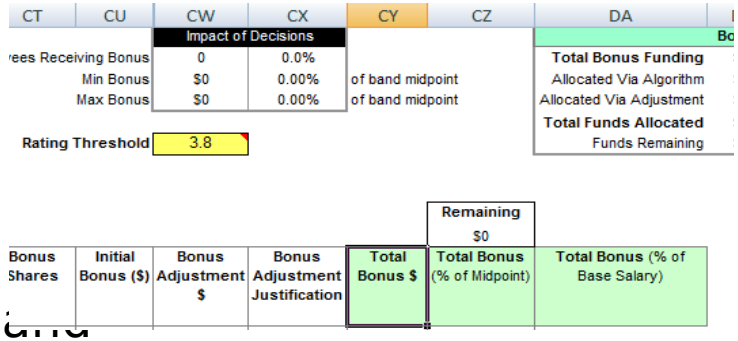
Pay Pool Manager reviews the bonus recommendations

- Pay Pool Managers receive a CWB populated with employee final ratings:
- The CWB calculates a *preliminary* bonus recommendation for each eligible employee. The information for this recommendation is based on:
  - Employee performance ratings
  - Midpoint of each work level
  - Number of employees in Pay Pool
  - Available budget within each Command



- In most cases, Pay Pool Managers will accept the bonus recommendation as is
  - However, adjustments to the bonus recommendations may be made according to Army-wide core Pay Pool Business Rules and Command specific business rules

Pay Pool Business Rules

- Business rules:
  - Provide standard guidance for the review and recommendation of performance-based bonuses and base-pay increase monetary awards a by Pay Pool Managers across the Army
  - Identify considerations that may require adjustments to the preliminary award recommendations
  - Allow Commands to develop specific rules for conducting the pay pool

Business Rules Considerations

- Guidance on how to conduct pay pool meetings
- Receipt of other performance-based considerations (e.g., On-The-Spot Awards, Special Act Awards)
- Recent hire or promotion

DQI Decisions

Pay Pool Managers also review employees for DQI eligibility (top performer by being in a percentage of top scores within their bonus groups, which shall not exceed 10 percent)

- If an employee receives DQI, he or she will not receive a bonus

Not all eligible employees receive DQIs: Budgetary Limits or Retained Pay status will affect the assignment of DQIs

- If a Pay Pool Manager/Pay Pool Panel chooses to award a DQI, the Data Administrator will make adjustments to the CWB. The processing is done within the CWB and manual RPAs are not required.

DCIPS SQI Decisions

- Pay Pool Managers also review employees for a DCIPS SQI eligibility (eligible for consideration for a base-pay increase monetary award for 3 consecutive years, the current and two preceding performance evaluation cycles. Refer to Army DCIPS Annual Bonus and Awards Guidance for eligibility criteria when determining sustained performance for current and 2 previous years.
  - If an employee receives SQI, he or she will not receive a bonus

    Not all eligible employees receive SQIs: Budgetary Limits or Retained Pay status will affect the assignment of DQIs
- If a Pay Pool Manager/Pay Pool Panel chooses to award a SQI, the Data Administrator will make adjustments to the CWB. The processing is done within the CWB and manual RPAs are not required.

Pay Pool Manager submits payout recommendations

- Pay Pool Managers will submit the CWB for approval:
  - Once all DCIPS performance-based bonus and base-pay increase monetary award recommendations have been made, the Pay Pool Manager submits to their Command Pay Pool PRA
  - In cases where the Pay Pool Manager also serves as the Approving Official (Command Pay Pool PRA) he or she will approve the CWB

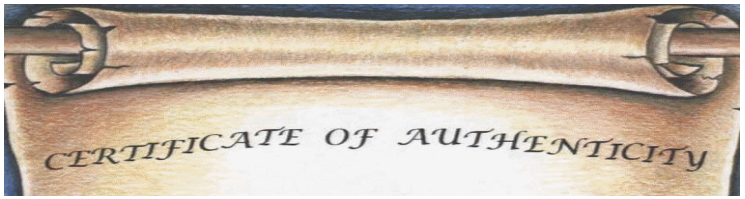
Approval of Pay Pool payout decisions should occur in late November to allow for DCPDS processing and effective the 1st day of the 1st pay period of the New Year

PRA reviews and approves payout recommendations

- The Command/Organizational Pay Pool PRA reviews and approves pay pool payout recommendations
- If inconsistencies are found, the PRA returns the pay pool payout recommendations to the Pay Pool Manager for adjustments

Certification of CWB for Payout

- Command Pay Pool PRAs provide a certification letter to the Army Pay Pool PRA
- Pay Pool Managers are notified that results are PRA approved
- Pay Pool Managers certify bonus results in the CWB



- Data administrators submit approved Pay Pool decisions
- Supervisors may now communicate results of payout decision
- DCIPS performance-based bonuses and base-pay increase monetary awards decisions are effective the first day or the first pay period of the New Year

Pay Pool Overview

For more information on DCIPS, see the Army DCIPS website:

http://www.dami.army.pentagon.mil/site/dcips/

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Questions?

Contact Us

DCIPS E-Mail Inbox

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End of Course Review

1. What is the DCIPS Performance-Based Compensation Program?
   A. An annual rewards program—with the greatest rewards going to experience and longevity.
   B. An annual performance-based rewards program linking employee performance to individual accomplishments—with the greatest rewards going to those who make the greatest contributions.
   C. A semi-annual program relating employee performance to individual accomplishments.
   D. A program that will give all employees rewards annually regardless of accomplishments.

2. T or F Performance-based payouts are the basis for Ratings

   False. Ratings are the basis for performance-based payouts because they acknowledge significant mission and Agency contributions and give larger payouts to higher performers

End of Course Review

3. Which statements are true about DCIPS employee eligibility for Performance-based awards:
   A. Employees eligible for bonuses must meet or exceed a “successful” rating of at least 2.6.
   B. Those eligible for DQIs must have a rating of “in the percentage of top scores within their pay pools, which shall not exceed 10%.”
   C. Employees rated as unacceptable or minimally successful are not eligible for Performance-Based Compensation.
   D. All of the above.

4. What steps are followed in convening Pay Pools to determine performance-based bonuses and base-pay increase monetary awards?
   A. Pay Pool Managers review and submit Pay Pool payout recommendations, The PRA reviews and approves recommendations, Commanders provide certification letter to Army PRA.
   B. Assign Data Administrators, Create Pay Pool structure, Designate Pay Pool Managers, Establish Business Rules and Pay Pool Budget.
   C. Both A and B

End of Course Review

5. What are the responsibilities of a Pay Pool Manager?
   A. An individual typically in the chain of command for employees assigned to a Pay Pool, responsible for conducting the annual bonus decision-making process
   B. Administer the pay pool process and make performance-based bonus and base-pay increase monetary award recommendations to the PRA
   C. Both A and B.

6. T or F Pay Pools are DCIPS employees who work in an Army organization and share funding for performance payouts

   True

7. T or F The CWB tool generates employee ratings

   False. Ratings from PAA feed the CWB tool that generates performance-based bonus and base-pay increase monetary award bonus recommendations

End of Course Review

8. Choose the correct answer to complete the following statement: Business Rules _____.
   - A. Are a spreadsheet that contains all the functionality needed to conduct an effective Performance-Based Compensation Program
   - B. Provide an annual performance-based rewards program linking employee performance to individual accomplishments
   - ***C. Provide standard guidance for the review and adjustment of performance-based bonuses and base-pay increase monetary awards by Pay Pool Managers***
   - D. None of the above

9. What are the final steps in the Pay Pool process in determining performance-based bonuses and base-pay increase monetary awards?
   - A. Commanders provide certification letter to Army-wide PRA
   - B. Pay Pool Manager certifies CWB for payout
   - ***C. Both A and B***
   - D. Neither A nor B

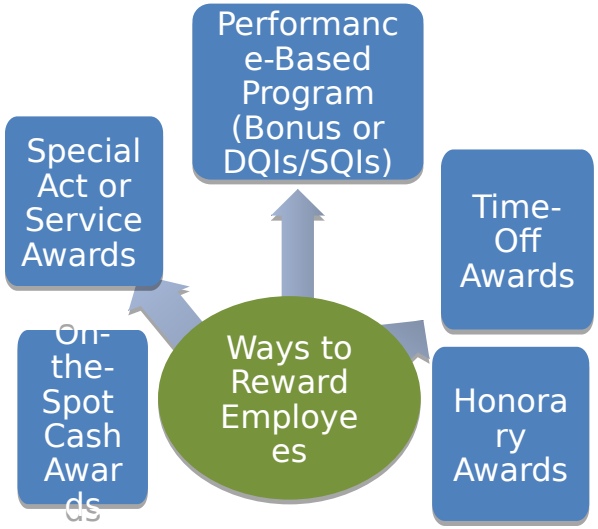
End of Course Review

10. T or F The Command/Organizational PRA reviews and approves pay pool recommendations and if inconsistencies are found, the PRA returns the performance-based bonus and base-pay increase monetary award recommendations to the Pay Pool Manager.

True

Back-up Slides

Ways to Reward Employees



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Monetary Awards

Special Act Awards:

Meritorious accomplishments achieved outside of normal job responsibilities up to $2,000.

- **On-the-Spot Cash Award (OTS)** – A smaller Special Act Award given by a supervisor for day-to-day employee accomplishments. Amounts for this award range from $50 to $500.

Time Off Award (TOA):

Up to 40 hours granted to an employee's single contribution with a maximum of 80 hours for the leave year awarded. A TOA may be used alone or in combination with monetary or honorary awards, but not in connection with or a substitute of a performance-based award.

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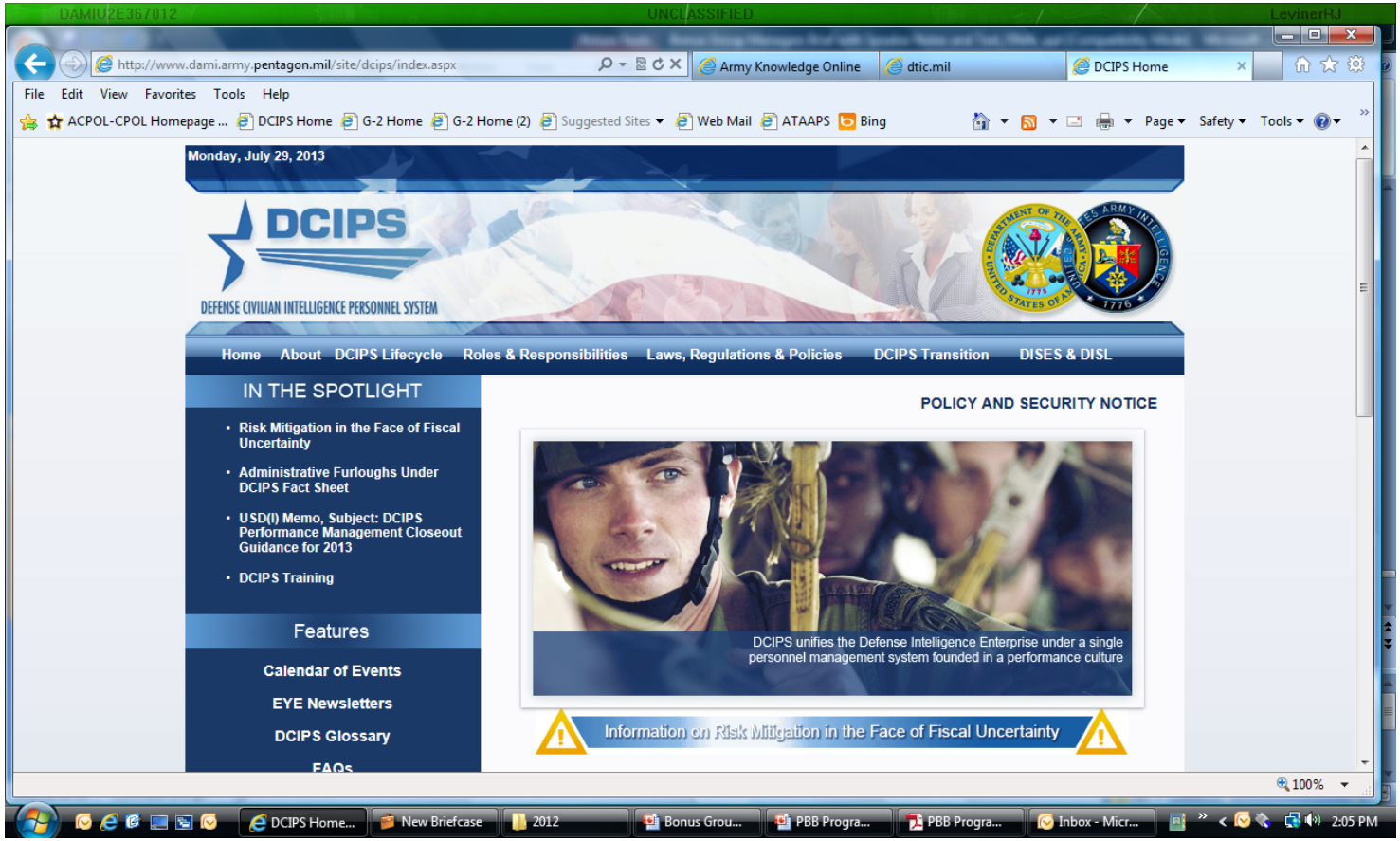

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SIPRnet: http://www.dami.army.smil.mil/site/dcips

WICS: https://army.daiis.army.ic.gov/org/hqdag2/g2kcps/DCIPS/default.a